

### IN THE SPECIFICATION

Please replace the paragraph on page 13 beginning with line 7 through line 18 as follows:

After the port-specific policy settings 30 are established, in step 202, the policy settings 30 are saved in a database or file. In step 204, the network management application 28 begins executing in operational mode, automatically detects when a new device 26 is added to the network, and determines the device's location in the overall network topology. In a preferred environment, the detection and location of the device is determined by transmitting SNMP queries from the router 16 to the switches 4-618 that traverse the network, descending the tree of the hierarchical network topology. By transmitting the SNMP queries, the monitoring software 24 can detect newly added routers, switches, computers, and server blades. In addition, the monitoring software 24 can also detect processor blades and switch modules SM added to existing server blades 22 by communication with the Management Modules.